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**BY ELECTRONIC MAIL**

Gloria Blue  
Executive Secretary  
TPSC  
Office of the United States Trade Representative  
600 17th Street, NW  
Washington, DC 20508

Re: Section 201 Proceeding on Certain Steel Products; Comment on Exclusion  
Request by Acciaierie Valbruna S.P.A.

Dear Ms. Blue:

Set forth below are the comments of Emerson Electric Co. of St. Louis, Missouri, a domestic consumer of steel products, on the product exclusion for stainless soft magnetic solenoid-quality bars proposed by Acciaierie Valbruna S.P.A. on November 13, 2001. Valbruna seeks exclusion for certain stainless steel round bars produced to AISI 430F and AISI 430FR specifications. Such products are classified under HTSUS category 7222.20.00. Emerson purchases steel meeting the AISI 430FR specification steel to make coils for electric valves. There are no direct substitutes for such products because of the stringent magnetic property requirements of Emerson's coils.

Emerson supports the exclusion of such products from the scope of any trade remedies imposed pursuant to Section 203 because the overall domestic demand for such steel cannot be met by the only domestic producer, Carpenter Technologies. Emerson estimates that the current domestic

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demand for such steels is approximately 12 million pounds per year and that imports account for approximately 25% of U.S. consumption. The imposition of trade remedies on imported stainless soft magnetic solenoid-quality bars would effectively exclude imports from the U.S. market and would leave domestic consumers with an inadequate supply of such products.

Carpenter Technologies has a history of being unable to respond to a surge in demand for stainless soft magnetic solenoid-quality bars. In 1995, when there was an increase in domestic demand for such products, Carpenter was unable to increase production to meet increased orders and was forced to allocate its production volume among its customers, causing Emerson significant delays in producing its coils. The domestic industry is now less capable of reacting to a sudden increased demand than it was in 1995 because the only other manufacturer of such products, Empire Specialty Steel, recently ceased operations.

Applying Section 203 remedies to stainless soft magnetic solenoid-quality bars would hurt domestic consumers of such products and would provide little benefit to the domestic steel industry. Emerson urges the President to exclude such steels from the scope of any trade remedies imposed in this case.

Respectfully submitted,

/S/

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Counsel for Emerson Electric Co.